Registered Number: 00439526

MARSH CORPORATE SERVICES LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

MARSH CORPORATE SERVICES LIMITED

COMPANY INFORMATION

DIRECTORS	A J Browne (appointed 20 December 2023) R M Cocks A J Croft S Miah T O'Dwyer C R Read S R Woodhouse (resigned 20 December 2023)
COMPANY SECRETARY	Ashton Ramseyer
REGISTERED NUMBER	00439526
REGISTERED OFFICE	1 Tower Place West Tower Place London EC3R 5BU United Kingdom

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STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023

INTRODUCTION

The Directors present their Strategic Report for Marsh Corporate Services Limited (“the Company”) for the year ended 31 December 2023. The Company’s registration number is 00439526.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

Marsh Corporate Services Limited is a service company which is part of NYSE listed Marsh & McLennan Companies, Inc. ('MMC' or 'the Group') and provides services to UK group companies. Its turnover is made up of service charges and rents received from Group companies and it recognises a mark-up on internally generated costs. The Company acts as the procuring entity for a number of the Group’s UK companies.

The Company pays the majority of non-payroll expenses on behalf of Marsh Limited and certain other group companies. In addition, the Company is the owner/named lessee for property, plant and equipment utilised by the Group in the UK and it also acts as managing agent for properties owned by other group companies. The Company has no employees. Any reference to employees in these financial statements relates to the staff provided by other Group companies.

The Company’s activities are mainly reliant on its major customers, Marsh Limited and Mercer Limited. The Directors are satisfied that the services of the Company will continue to be required in the future.

The Company operates in the UK. Part of the transaction processing and accounting support functions which the Company performs for other UK companies are provided by a third party supplier in India.

FINANCIAL KEY PERFORMANCE INDICATORS

The Company's key financial performance indicators during the year were as follows:

	2023	*2022*	Movement	Movement
	£M	*£M*	£M	%
Turnover	**371**	*418*	(47)	(11)%
Administration expenses	**356**	*407*	(51)	(13)%
Profit before tax	**8**	*6*	2	33 %
Shareholder's funds	**93**	*89*	4	4 %

Turnover £371 million is solely attributable to services provided to other group companies, and the decrease in the year on year by £(47) million is due to reduced recharges to Marsh Limited.

Administrative expenses decreased by £(51) million on the prior year to £356 million, largely due to an £89 million impairment following the exit of surplus property in the prior year. This was offset by increased staff costs recharged to the Company by Marsh Services Limited, a fellow subsidiary in the Group.

Shareholders' funds have increased by £4 million. The Company made a profit after tax of £10 million *(2022:* £7 million*)*, which was offset by a decrease of £6 million in revaluation reserve.

As a procuring entity, the Company considers its supplier payment practices as a non-financial key performance indicator, further information on these can be found on page 3.

CORPORATE GOVERNANCE STATEMENT

The Board of the Company has adopted formal terms of reference which clearly set out its responsibilities and remit to lead and direct the affairs of the Company. Whilst it meets on at least a quarterly basis to consider matters under its remit and discharge its responsibilities, the Board recognises that the Company operates within a broader well-established and robust governance framework embedded across the Group in the UK which includes forums and committees providing oversight in the areas of risk, audit, and remuneration.

Given the nature of the Company's activities as an internal service provider to the Group and the broader governance framework in place at Group level, the Company has elected not to apply a recognised formal corporate governance code for the financial year ended 31 December 2023.

SECTION 172 (1) OF THE COMPANIES ACT 2006 (THE 'ACT') STATEMENT

Under section 172(1) of the Companies Act 2006 (“s172”) the directors of the Company must act in the way that they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole. In doing so, the directors should have regards to the following factors:

• the likely consequences of any decision in the long-term;
• the interests of the Company’s employees;
• the need to foster the Company’s business relationships with suppliers, customers and others’
• the impact of the Company’s operations on the community and environment;
• the desirability of the Company maintaining a reputation for high standards of business conduct; and
• the need to act fairly between members of the Company.

The below paragraphs provide an explanation as to how the Company’s directors have had regard to the matters set out in s172 when performing their duties during the year ended 31 December 2023. This includes how the directors have engaged with and considered the interests of various stakeholders including its shareholder, employees, suppliers, the community and those in a principal business relationship with the Company. The Company did not have any employees during 2023.

The likely consequences of any decision in the long-term

As a wholly owned subsidiary of Marsh McLennan Companies, Inc, the Board considers the views of its ultimate shareholder, and the interests of the wider Group, in considering the likely consequences of any decision in the long-term.

The directors of the Company are committed to lead and direct the affairs of the Company to promote the long-term sustainable success of the Company, generating value for its shareholder, ensuing the sound and prudent management of the Company, with consideration for the interests of other stakeholders.

The directors of the Company consider that, both individually and collectively, they have acted in a way, in good faith, that would most likely promote the success of the Company, for the benefit of its members while having consideration to all stakeholders.

The need to foster the Company’s business relationships with suppliers, customers and others

Customers

The Company provides services to several of the Group’s UK companies, acting as a procuring company, lease holder for property plant and equipment and managing agent for UK properties. These arrangements are governed by intragroup agreements.

Suppliers

The Group´s business with suppliers is managed through its Global Sourcing and Procurement department. The Group is committed to building strong relationships with suppliers and recognises that engaging with suppliers and subcontractors who provide a superior service on reasonable terms is critical to success. The Board is supportive of the principles included in the Group´s Code of Conduct, the Greater Good, setting out the Group´s commitment to engage with well qualified and financially responsible suppliers based on the quality of their products and services and the competitiveness of their prices and terms and conditions, and to avoid suppliers who have engaged in unlawful or unethical conduct, who do not meet the Group´s data-protection standards or who could damage its reputation. Colleagues involved in the supplier selection process are also obliged to disclose any actual or potential conflict of interest or any personal relationship with a prospective supplier and the Group encourages suppliers from diverse backgrounds to compete for its business.

The Company monitors its relationship with its suppliers on a regular basis and areas of concern are escalated to the Board accordingly.

The Company reports on its supplier payment practices on a biannual basis. The latest results can be found at https://check-payment-practices.service.gov.uk/report/80629.

The impact of the Company's operations on the community and environment

In an ever-changing world with geopolitical instability, economic uncertainty and ongoing conflicts, the Group recognises the importance of supporting the communities in which it operates. In alignment with the Group´s ESG strategy, social impact activities are focused on disaster response, mentoring, and building resilient communities, which helps contribute to the Group´s vibrant and inclusive culture, drives colleague engagement and elevates the Group´s brand reputation. Further information about the Group´s social impact programme can be found in the latest published statutory report and accounts of Marsh Limited.

The Company, as part of the Group, recognises its obligations to be good stewards of the environment and continues to look at ways to minimise its carbon footprint and impact on the environment. The Company shares the Group´s ESG and climate-related ambitions and integrates the Group´s environmental initiatives into strategy, decision-making and business processes, considering the local market. Further information can be found in the Greenhouse Gas Emissions, Energy Consumption and Energy Efficiency Action report on pages 7-10. Further details of the Group´s environmental initiatives can be found at https://www.marshmclennan.com/about/esg.html.

The desirability of the Company maintaining a reputation for high standards of business conduct

The Greater Good, which is MMC's Code of Conduct, applies to all directors of the Company and it embodies the Group´s commitment to maintaining the highest ethical conduct and professional standards. These non-negotiable standards are outlined in the Greater Good, which emphasises the importance of building trust with colleagues, clients and the wider community.

The need to act fairly between members of the Company

The Company has a single member and forms part of the Group. As a wholly owned subsidiary of Marsh McLennan Companies, Inc, the duties of the Company's directors are exercised in a way that is most likely to promote the success of the Group as a whole, while having regard to all factors outlined in s172.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties facing the company are those listed below:

Asset risk

The Company is the custodian of the majority of property, plant and equipment used by other Group companies in the UK. Any loss of or damage to those assets would threaten the ability of the Company to provide its services. The Company mitigates this risk through use of insurance and business continuity planning. The Company is also subject to impairment risk in relation to those fixed assets. The Company continually reviews its depreciation rates to ensure assets are depreciated over the appropriate periods. In addition, the Company also reviews its tangible assets to ensure that they are not impaired. The Company holds intangible assets relating to projects currently under development, which are subject to annual impairment tests.

Cyber risk

The Cyber control framework is managed by the Group Information Security Team who monitor and maintain the supporting IT infrastructure, tools and technologies to safeguard the organisation and its clients, from the rapidly changing cyber threat environment. The Company proactively de-risks its operations through regular patching and security upgrades and supports this with colleague awareness and training campaigns. In the event of heightened Cyber threat, the Group has established incident management procedures which are invoked to mitigate any adverse impacts. Attendance at regulator-led and industry wide forums ensures the business has sight of threats and vulnerabilities affecting the UK.

Safety, Health and Environment risk

The Company is responsible for the health, safety and welfare of its employees and contractors whilst working on behalf of the Company and for ensuring that its operations do not unnecessarily harm the environment. The Company provides a Greenhouse Gas Emissions, Energy Consumption and Energy Efficiency Action report on pages 7-10 of the Directors Report.

Where reasonably practicable, the Company pursues progressive improvements in health & safety performance and ensures that the business is compliant with all applicable legislation. Directors and individual managers accept responsibility for people and areas under their control and integrate health and safety into everyday activities. They are committed to ensuring the competence of all employees through selection, instruction, training and supervision.

Management of health and safety standards is ensured through effective audit and action resolution and is supported by bespoke software to allow monitoring. Incident reporting, investigation and trend analysis ensures identified workplace hazards are corrected to prevent reoccurrence. Colleague consultation plays a key role and is achieved through the Group´s UK Health and Safety Committee, comprised of representatives from across the businesses in the UK, including a representative of the Company. This committee reviews the Company´s arrangements in place on a regular basis and works towards continuous improvement of health & safety standards.

Interest rate, liquidity and cash flow risk

The Company has revolving loan facilities which are subject to interest charges or income, dependent on the balance of the loan facility. The interest rate risk of the Company is managed by treasury staff, in line with guidelines issued by its ultimate parent company.

Liquidity and cash flow risk is the risk that cash may not be available to pay obligations when due. The Company includes the use of forecasts and budgets to monitor and control its cash flows and working capital requirements.

Operational resilience risk

This risk relates to the failure of the firm to prevent, respond to, recover and/or learn from operational disruptions resulting in client detriment, regulatory intervention and/or adverse commercial impacts. Examples of such business interruption events could include supply chain disruptions, a failure of outsourcing / intragroup arrangements, technological outages, a breakdown of national infrastructure, etc. The Company has robust processes and controls in place for monitoring and responding to operational disruptions (including a well-established crisis management team).

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

Outsourcing (including Intra Group Arrangements) risk

The Company outsources a number of its services to third party organisations. The ability of the Company to perform efficiently is directly impacted by the services of the third party providers. Outsourcing contracts and providers are respectively reviewed against performance expectations and key performance indicators.

Environmental, Social and Governance (ESG)

The risk that the Company is impacted by an environmental, social or governance (ESG) event, or condition, which adversely impacts our brand, value and/or operations of the Group's business.

The Group has proactively promoted the need to 'advance good in the world', noting in its latest ESG Report, that ESG considerations have been a formal part of its Executive decision making since 2008. The Group has also pledged to become net-zero across its operations by 2050 and reduce emissions by 50% by 2030. The Company is also monitoring the regulatory requirements in this area.

People risk

The willingness of competitors to offer key staff higher remuneration and benefits packages continues to be a risk to the Group's ability to attract and retain key people.

Periodic benchmarking of salaries is carried out by Marsh Services Limited, the employer of the Company's colleagues, to ensure they remain competitive.

Geopolitical & Macroeconomic Environment

The risk that changes within the geopolitical and macroeconomic environment adversely impacts the

Company's strategy, reputation and/or growth targets resulting in potential losses, associated costs and operational disruption. The business continuously monitors and responds to any material external environmental factors, such as: fiscal changes (including inflation and GDP growth), environmental influences (e.g. Russia/Ukraine war, Israel/Palestine conflict, China/Taiwan tensions) and market-wide activity.

Data Privacy risks

The Company is responsible for the safeguarding and protection of the data it receives from its suppliers and others and is therefore exposed to data and privacy risks, including loss of data, corruption of data, inappropriate access to data, or incorrect collection, processing and storage of data (in particular sensitive personal data). System-enforced tools and controls are in place in respect of data, such as disclosure and consent mechanisms, access restrictions, password protection, back-up and cleansing of data as well as Group-wide encryption of data. Mandatory training is also issued to staff with respect to the usage, storage, processing, accessing and sharing of data, as well as data incident reporting. This is underpinned by internal data & privacy policies.

This report was approved by the Board and signed on its behalf on 4 July 2024.

C R Read
Director

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023

The Directors present their report and the financial statements for the year ended 31 December 2023.

PRINCIPAL ACTIVITY

The principal activities of the Company are set out in the Strategic Report on page 1. The information that fulfils the Companies Act requirements of the business review is included in the Strategic Report on pages 1 to 5. This includes details of the Company's principal risks and uncertainties.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £10 million *(2022: £7 million)*

The Company did not pay a dividend in the current or prior year. The Directors do not recommend the payment of a final dividend.

DIRECTORS

The Directors who served during the year were:

A J Browne (appointed 20 December 2023)
R M Cocks
A J Croft
S Miah
T O'Dwyer
C R Read
S R Woodhouse (resigned 20 December 2023)

GOING CONCERN

Having assessed the responses to their enquiries, the Directors have no reason to believe that a material uncertainty exists that may cast significant doubt upon the ability of the Company to continue as a going concern. The Directors acknowledge the latest guidance on going concern.

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of twelve months from the date of the approval of the financial statements and, therefore, they continue to adopt the going concern basis in preparing the annual financial statements.

The Company continues to monitor the uncertainty in the current economic and business environment and the directors are satisfied through the review of forecast and analyses that the services of Marsh Limited and Mercer Limited, for whom the Company ultimately provides most of its services, will continue to be attractive to the clients.

Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies in note 2 to the financial statements.

FUTURE DEVELOPMENTS

The activities of the Company are expected to continue along similar lines for the foreseeable future.

EMPLOYEES

The majority of contracts of employment are with, and the remuneration of employees and Directors is paid by, a fellow group company, Marsh Services Limited. The Company is charged and bears the cost for the remuneration and other associated benefits paid on its behalf.

QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

The Company has put in place an indemnity in its Articles of Association to indemnify Directors and officers of the Company against losses or liabilities sustained in the execution of their duties of office. The indemnity is a qualifying third party indemnity provision under s232 and s234 of the Companies Act 2006.

GREENHOUSE GAS EMISSIONS, ENERGY CONSUMPTION AND ENERGY EFFICIENT ACTION

The approach to the environment and environmental reporting is managed at a Group level and constantly under review. The Group maintained its certification as a CarbonNeutral © company, initially achieved in 2021 across all of its global operations. In March 2022, MMC announced goals to achieve net-zero carbon emissions across its global business operations by 2050, with a 50% emissions reduction by 2030. The Group also signed a commitment letter to submit these targets to the Science Based Targets initiative for validation. This past year, MMC successfully completed this step.

Across many parts of our global businesses, including in the UK, there are initiatives underway which are focused on improving the efficiency of our operations as those relate to greenhouse gas emissions, energy consumption and the impact our business has on the environment. Examples of these initiatives include:

- Continuing to virtualise services, reducing data space requirements, power consumption and cooling needs, and emissions;
- Reducing square footage per full-time colleague by 31% since 2019 and opening 115 smart offices since 2016. Smart offices incorporate energy saving lighting and HVAC (heating, ventilation and air conditioning), water-conserving fixtures, and practices designed to reduce construction and operational waste;
- Introduction of compostable or reuseable 'to go' containers in the London office to reduce waste from food service; and
- The use of renewable electricity across the Group's largest offices in the US, UK and South Africa.

Streamlined Energy and Carbon Reporting

The Company is required to report on energy consumption and greenhouse gas emissions under the Streamlined Energy and Carbon Reporting (SECR) regulations. The information below sets out the Company's emissions from gas, electricity and transport fuel, analysed by Scope 1 and 2. In line with the requirements of the SECR Regulations, energy use and related emissions from business travel in rental cars and employee-owned vehicles where the Company is responsible for purchasing the fuel are disclosed below as Scope 3 emissions

GREENHOUSE GAS EMISSIONS, ENERGY CONSUMPTION AND ENERGY EFFICIENT ACTION (continued)

Streamlined Energy and Carbon Reporting (continued)

Methodology

The Group has taken guidance from the UK Governmental Reporting Guidelines, Greenhouse Gas Protocol reporting standard and UK Government Greenhouse Gas (GHG) Conversion Factors for calculating carbon emissions.

Utility energy consumption information (natural gas and electricity) has been obtained directly from the Group's energy suppliers and half hourly automated meter reading (HH / AMR) data, where available. Where data was not available for a full 12 months, an intensity metric estimation methodology (kilowatt hours (kWh) per square metre floor area) was used to calculate consumption for the full period.

Fuel energy consumption (company-controlled vehicles) has been obtained from mileage information provided by Group travel management services and employee expenses and converted using fuel type and vehicle size information. Where fuel type or vehicle size information is not available, average vehicle size and unknown fuel type emission factors were used.

All GHG emissions are represented as carbon dioxide equivalent (CO2e).

The total emissions have been converted into an intensity ratio, in order to disclose information which is comparable with other businesses and periods. The Company has chosen as its intensity measurement Tonnes of CO2e (TCO2e) per employee working in the business.

Emissions data is disclosed with location based metrics which present the consumption of energy in KWh into equivalent carbon emissions using UK electricity grid average emission factors. Market based data is also disclosed and follows the same conversion methodology using supplier specific generation emission factors, but also accounts for the Company's use of renewable energy, resulting in a lower emissions value.

Total emissions - Scope summary	**2023 (Tonnes of CO2e) Location Based**	**2023 (Tonnes of CO2e) Market Based**	2022 (Tonnes of CO2e) Location Based	2022 (Tonnes of CO2e) Market Based
Scope 1 – Direct	70	52	61	60
Scope 2 – Indirect	496	159	514	177
Total	**566**	**211**	575	237
Headcount as at 31 December		1,135		1,106
Intensity measurement (TCO2e per employee)	**0.50**	**0.19**	0.52	0.21

NOTE	**Electricity (Kwh)**	**Gas (Kwh)**	Electricity (Kwh)	Gas (Kwh)
Energy consumption used to calculate emissions (Kwh)	2,392,578	283,830	2,659,544	326,634
	Total	**2,676,408**	Total	2,986,178

References to headcount in the table above relates to employees whose costs are recharged to the Company from Marsh Services Limited, the UK employing entity.

Further analysis of emissions by Scope can be found on the following pages.

GREENHOUSE GAS EMISSIONS, ENERGY CONSUMPTION AND ENERGY EFFICIENT ACTION (continued)

Streamlined Energy and Carbon Reporting (continued)

Scope 1

Scope 1 emissions are direct emissions stemming from business operations, primarily emissions generated by on-site combustion and fleet vehicles. These emissions are related to activities owned or controlled by the Group which release emissions into the atmosphere, examples of Scope 1 emissions are combustion from owned or controlled boilers and company vehicles.

Natural Gas

Natural gas data relates to consumption at sites where gas is sourced by the Group and by third-party landlords who have confirmed natural gas supplies attributable to the Group. The inclusion of third-party landlord consumption provides a more complete view across the UK portfolio of consumption attributed to the Group's business operations.

The data comprises actual metered consumption for sites where the Group sources the supply, and estimates of consumption for the landlord supplied sites using an intensity metric of kWh/m2 taken from the metered sites.

Company Vehicles & Fleet

The data for company vehicles captures the emissions from fuel consumed for business use in company cars, fleet and private cars where employees are reimbursed for business mileage.

Vehicle fuel emissions arising from business travel from company-controlled fleet or company cars are allocated to each Company within the Group. This is an alteration to the method applied previously following increased data availability around business travel and allows for greater performance tracking moving forward.

Scope 1 emissions for location and market data are identical and summarised in the table below:

	2023 (excluding offshore)	2022 (excluding offshore)	Variance (%)
Emissions from combustion of gas (Scope 1 - tonnes of CO2e)	52	60	(13)
Emissions from combustion of fuel for transport purposes (Scope 1 tonnes of CO2e)	18	1	1700

Total company emissions are allocated to Marsh Corporate Services Limited based upon annual headcount. A 3% increase in headcount represents an expected increase in emissions allocation to the business. However, continued rationalisation of the office estate to remove less energy efficient offices has resulted in emission savings. The closure of 5 sites during 2023 and the closure of 14 sites during 2022 has resulted carbon saving.

2023 saw a significant increase in business travel compared to 2022 as business needs continued to recover from Covid 19 and company travel restrictions. An expansion to mileage data collection is allowing for greater accuracy of emission reporting.

Scope 2

Scope 2 relates to emissions that are released into the atmosphere associated with consumption of purchased electricity, heat and cooling and are indirect emissions that are a consequence of the Group's activities, but which occur at a source the Group does not own or control. These emissions are defined as purchased emissions.

Office Electricity

Office electricity emissions relate to energy consumption and usage which is purchased from a utility and used to power buildings or other assets owned or utilised by the Company.

GREENHOUSE GAS EMISSIONS, ENERGY CONSUMPTION AND ENERGY EFFICIENT ACTION (continued)

Streamlined Energy and Carbon Reporting (continued)

Vehicle Electricity

Vehicle emissions from the use of fully electric (EV) and Plug-in Hybrids (PHEV) arising from business travel from company-controlled fleet or company cars are allocated based on headcount to each business within the Group. In line with the Groups sustainability ambitions the increased utilisation of electric vehicles is positive and represented an increase in utilisation compared to 2022.

	2023	2022	Variance (%)
	Location Based	Location Based	
Emissions from electricity purchased for own use, including for the purpose of transport (Scope 2 - tonnes of CO2e)	496	514	(4)

	2023	2022	Variance
	Market Based	Market Based	(%)
Emissions from electricity purchased for own use, including for the purpose of transport (Scope 2 - tonnes of CO2e)	159	177	(10)

Total company emissions are allocated to Marsh Corporate Services Limited based upon annual headcount. A 3% increase in headcount represents an expected increase in emissions allocation to the business. However, continued rationalisation of the office estate to vacate less energy efficient offices has resulted in emission savings. The closure of 5 sites during 2023 (14 closures during 2022) has resulted in emission savings.

Focus on procurement of Renewable Energy Obligation Certification (REGO / GO) electricity across sites where Marsh McLennan are responsible for procurement. 72% of MMC procured sites utilised REGO certified renewable electricity from a generation mix of solar, wind and hydro. The remaining 28% will change to REGO certified electricity at the earliest opportunity.

Scope 3

Emissions include indirect emissions from sources not owned or controlled by the Company, but that we indirectly impact in our value chain. The Scope 3 emissions for the Company include our colleagues' commercial air travel, rail travel and business travel in personal vehicles.

Transport

The Group continues to invest in technology and tools to support remote working and use online meetings where applicable.

	2023	2022	Variance (%)
Emissions from business travel by air, rail and in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel (Scope 3 - tonnes of CO2e)	**10**	23	(57)

2023 saw a reduction in scope 3 business travel compared to 2022. An expansion to mileage data collection is allowing for greater accuracy of emission reporting.

Note

The Company's UK facilities are largely operated on a shared basis with the other operating companies within the Group. The portfolio is predominantly leased and is managed centrally. The supply of gas and electricity for a property can either be sourced by the Company or the supply managed via a building landlord.

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023

MATTERS COVERED IN THE STRATEGIC REPORT

The information that fulfils the Companies Act requirements of the business review is included in the Strategic Report on pages 1 to 5. This includes a review of the development of the business of the Company during the year and of likely future developments in its business. Details of the principal risks and uncertainties are included in the Strategic Report.

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who are Directors at the time when this Directors Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

POST BALANCE SHEET EVENTS

There have been no significant events affecting the Company since the year end.

AUDITOR

The auditor, Deloitte LLP, have expressed their willingness to continue in office as auditors and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting. The auditor is deemed to be reappointed under section 487(2) of the Companies Act 2006).

This report was approved by the board and signed on its behalf on 4 July 2024.

C R Read

C Read

Director

DIRECTORS’ RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2023

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland”. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing the Annual Report and financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MARSH CORPORATE SERVICES LIMITED

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Marsh Corporate Services Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity; and
- the related notes 1 to 25 .

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MARSH CORPORATE SERVICES LIMITED

Responsibilities of Directors

As explained more fully in the Directors responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the Company's industry and its control environment, and reviewed the Company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and internal audit about their own identification and assessment of the risks of irregularities including those that are specific to the company's business sector.

We obtained an understanding of the legal and regulatory frameworks that the Company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the Company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, internal audit and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance, reviewing internal audit reports.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MARSH CORPORATE SERVICES LIMITED

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the Directors report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the Directors report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the Directors report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Malav Bhagdev

Malav Bhagdev, FCA (Senior statutory auditor)

for and on behalf of

Deloitte LLP

Statutory Auditor

London
United Kingdom

Date: 5 July 2024

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023 £M	*2022 £M*
Turnover	4	**371**	*418*
Gross profit		**371**	*418*
Administrative expenses		**(356)**	*(407)*
Operating profit	5	**15**	*11*
Interest payable and similar expenses	9	**(7)**	*(5)*
Profit before tax		**8**	*6*
Tax on profit	10	**2**	*1*
Profit for the financial year		**10**	*7*
Total comprehensive income for the year		**10**	*7*

All transactions derive from continuing operations.

There were no recognised gains and losses for 2023 or 2022 other than those included in the statement of comprehensive income.

The notes on pages 20 to 39 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

	Note		2023		2022
			£M		£M
Fixed assets					
Intangible assets	11		17		19
Tangible assets	12		43		50
Investments	13		–		–
			60		69
Current assets					
Debtors: amounts falling due after more than one year	14	39		30	
Debtors: amounts falling due within one year	14	428		502	
		467		532	
Creditors: amounts falling due within one year	15	(352)		(312)	
Net current assets			115		220
Total assets less current liabilities			175		289
Creditors: amounts falling due after more than one year	16		–		(100)
Provisions for liabilities					
Deferred tax	17	(1)		(3)	
Provisions	18	(81)		(97)	
			(82)		(100)
Net assets			93		89
Capital and reserves					
Called up share capital	19		–		–
Revaluation reserve	20		3		9
Profit and loss account	20		90		80
			93		89

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 4 July 2024.

C Read

C R Read

Director

The notes on pages 20 to 39 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023

	Called up share capital	Revaluation Reserve	Profit and loss account	Total equity
	£M	£M	£M	£M
At 1 January 2023	–	9	80	89
Comprehensive income for the year				
Profit for the year	–	–	10	10
Total comprehensive income for the year	–	–	10	10
Release of reserve	–	(6)	–	(6)
Transactions with owners	–	(6)	–	(6)
At 31 December 2023	–	3	90	93

The notes on pages 20 to 39 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

	Called up share capital	Revaluation reserve	Profit and loss account	Total equity
	£M	£M	£M	£M
At 1 January 2022	–	9	73	82
Comprehensive income for the year				
Profit for the year	–	–	7	7
Total comprehensive income for the year	–	–	7	7
At 31 December 2022	–	9	80	89

The notes on pages 20 to 39 form part of these financial statements.

1 GENERAL INFORMATION

Marsh Corporate Services Limited is a company incorporated in the United Kingdom under the Companies Act and is registered in England and Wales. The address of the registered office is given on the Company information page. Marsh Corporate Services Limited is a private company limited by shares. The nature of the Company's operations and its principal activities are set out in the Strategic Report on pages 1 to 5.

2 ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

2.2 FINANCIAL REPORTING STANDARD 102 REDUCED DISCLOSURE EXEMPTIONS

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 29 Income Tax related to Pillar Two paragraphs 29.28(b) and 29.29.
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

Where applicable, this information is included in the consolidated financial statements of Marsh & McLennan Companies, Inc. as at 31 December 2023 and these financial statements may be obtained from the address listed in note 25.

2.3 GOING CONCERN

The Company’s business activities, together with the factors likely to affect its future development, performance and position are set out in the business review, which forms part of the Strategic Report. The Strategic Report also describes the financial position of the Company; and its exposure to credit risk and liquidity risk.

The Company meets its day to day working capital requirements from revolving loan facilities. The current economic conditions create uncertainty particularly over (a) the level of demand for the Company’s services; and (b) the Company’s cost base. The Company continues to monitor the uncertainty in the current economic and business environment and the Directors are satisfied that the Company’s services will continue to be required by its fellow group companies. This monitoring and analysis considered our business resilience and continuity plans and stress testing of liquidity and financial resources. The analysis modelled the financial impact assuming an increasing severity of impact in relation to revenue and certain costs, for a period of at least 12 months so that the potential impact on profitability and liquidity could be assessed.

2 ACCOUNTING POLICIES (continued)

2.3 GOING CONCERN (continued)

The Directors acknowledge the latest guidance on going concern. The Directors are satisfied through the review of forecast and analyses that the services of Marsh Limited and Mercer Limited, for whom the Company ultimately provides most of its services, will continue to be attractive to the clients.

Having assessed the responses to their enquiries, the Directors have no reason to believe that a material uncertainty exists that may cast significant doubt upon the ability of the Company to continue as a going concern. The Directors acknowledge the latest guidance on going concern. The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of twelve months from the date of approval of the financial statements and, therefore, they continue to adopt the going concern basis in preparing the annual financial statements.

2.4 FOREIGN CURRENCY TRANSLATION

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

2.5 REVENUE

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Turnover represents fees receivable from other Group companies for services provided and is recognised in the year to which it relates. All turnover arises in the United Kingdom.

2.6 OPERATING LEASES : THE COMPANY AS LESSOR

Rental income from operating leases is credited to profit or loss on a straight line basis over the lease term.

Amounts paid and payable as an incentive to sign an operating lease are recognised as a reduction to income over the lease term on a straight line basis, unless another systematic basis is representative of the time pattern over which the lessor's benefit from the leased asset is diminished.

2 ACCOUNTING POLICIES (continued)

2.7 OPERATING LEASES : THE COMPANY AS LESSEE

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 1 January 2019 to continue to be charged over the period to the first market rent review rather than the term of the lease.

2.8 LEASED ASSETS: THE COMPANY AS LESSEE

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to profit or loss so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.9 RESEARCH AND DEVELOPMENT

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

2.10 FINANCE COSTS

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.11 BORROWING COSTS

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

Finance cost comprises interest payable on funds borrowed. Interest payable is recognised in the income statement as it accrues.

The difference between interest payable in the year and interest actually paid is shown as an accrual in the statement of financial position.

2 ACCOUNTING POLICIES (continued)

2.12 CURRENT AND DEFERRED TAXATION

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.13 INTANGIBLE ASSETS

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Amortisation is provided on the following basis:

Computer Software Development -	14% - 33.33% per annum

Development costs have been capitalised in accordance with FRS 102 Section 18 Intangible Assets other than Goodwill.

Software development costs are recognised as an intangible asset when all of the following criteria are demonstrated:

- The technical feasibility of completing the software so that it will be available for use or sale.
- The intention to complete the software or to sell it.
- The ability to use the software or to sell it.
- How the software will generate probable future economic benefits.
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the software.
- The ability to measure reliably the expenditure attributable to the software during its development.

Management review intangibles and estimate the useful lives based on estimates of the future cash flows.

2 ACCOUNTING POLICIES (continued)

2.14 TANGIBLE FIXED ASSETS

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.
Depreciation is provided on the following basis:

Freehold property	- 2% per annum
Short-term leased property	- 3.33% - 10% per annum
Office equipment	- 20% -33.33% per annum

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.15 REVALUATION OF TANGIBLE FIXED ASSETS

Individual freehold and leasehold properties are carried at cost less any subsequent accumulated depreciation and subsequent accumulated impairment losses, with the exception of assets which were revalued prior to the Group’s acquisition of the Company. These assets are carried at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in other comprehensive income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

2.16 VALUATION OF INVESTMENTS

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted company shares, whose market value can be reliably determined, are remeasured to market value at each statement of financial position date. Gains and losses on remeasurement are recognised in the Statement of Comprehensive Income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

2.17 IMPAIRMENT OF FIXED ASSETS

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit ('CGU') to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2 ACCOUNTING POLICIES (continued)

2.18 IMPAIRMENT

Assets, other than those measured at fair value, are assessed for indicators of impairment at each statement of financial position date. If there is objective evidence of impairment, an impairment loss is recognised in the Statement of Comprehensive Income as described below.

Financial assets

For the Company's assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For the Company's assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Non-financial assets

At each statement of financial position date, the Company reviews the carrying amounts of its tangible and intangible assets acquired separately to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. An intangible asset with an indefinite useful life is tested for impairment at least annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and the value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in Statement of Comprehensive Income, unless the relevant asset is carried at a re-valued amount, in which case the impairment loss is treated as a revaluation decrease. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in Statement of Comprehensive Income, unless the relevant asset is carried at a re-valued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Internally generated intangible assets arising from the Company's internal system development projects are considered for impairment on a regular basis and those projects that no longer have a useful purpose either by the result of obsolescence or the Company's decision to migrate to other products, will be recognised in the statement of income in the quarter the asset is no longer in a condition useable by the Company in any capacity.

2.19 DEBTORS

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2 ACCOUNTING POLICIES (continued)

2.20 CASH AND CASH EQUIVALENTS

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.21 CREDITORS

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.22 PROVISIONS FOR LIABILITIES

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are made, they are charged to the provision carried in the Statement of Financial Position.

2.23 ONEROUS LEASES

Where the unavoidable costs of a lease exceed the economic benefit expected to be received from it, a provision is made for the present value of the obligations under the lease.

2.24 FINANCIAL INSTRUMENTS

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a Directors in the case of a small company, or a public benefit entity concessionary loan.

Investments in non-derivative instruments that are equity to the issuer are measured:

- at fair value with changes recognised in the Statement of Comprehensive Income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

2 ACCOUNTING POLICIES (continued)

2.24 FINANCIAL INSTRUMENTS

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.25 DIVIDENDS

Dividends are the way that the Company makes distributions from the Company's profits to its shareholder. The dividend is determined in sterling, the economic currency of the Company. The Directors may choose to declare dividends in any currency provided that a sterling equivalent is announced.

The Board decides the level of dividend in consultation with, or consideration of, various stakeholders, including the management of the Company's ultimate parent company, Marsh & McLennan Companies, Inc.. The amount and timing of a dividend is influenced by factors such as:

- the Company's working capital requirements to sustain its business plans;
- the Company's future capital investment needs; and
- the Company's excess financial resources.

Equity dividends are recognised when they become legally payable.

3 JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Company's accounting policies

The Company has no critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

The key assumption concerning the future, and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is discussed below:

Property provisions

During the ordinary course of business the Company can be subject to obligations in respect of its property activities and commitments.

A provision is established in respect of dilapidations and property abandonment when it is probable that the liability has been incurred and the amount of the liability can be reasonably estimated.

The Company analyses its property exposures based on available information, including legal and professional consultation, where appropriate, to assess its potential liability.

The outcome of the currently pending and future property provision requirements cannot be predicted with certainty. Therefore, an adverse decision in a current or future negotiation could result in additional costs that are in excess of the presently established provisions. It is possible that the financial position, current operations or cash-flow could be materially affected by the outcome of unfavourable negotiations.

4 TURNOVER

The whole of the turnover compromises services provided to other group companies.

	2023	2022
	£M	£M
United Kingdom	371	418
	371	418

5 OPERATING PROFIT

The operating profit is stated after charging:

	2023	2022
	£M	£M
Other operating lease rentals	26	30
Tangible fixed assets - depreciation	10	16
Intangible fixed assets - amortisation	8	6

6 AUDITOR'S REMUNERATION

	2023	2022
	£M	£M
Fees payable to the Company's auditor for the audit of the Company's and other UK entities annual financial statements	3	3

The Company has not engaged its auditor for any non audit services.

Audit fees are paid by the Company on behalf of fellow subsidiaries and subsequently recharged.

The audit fee attributable to Marsh Corporate Services Limited is £0.2 million *(2022: £0.2 million).*

7 EMPLOYEES

Staff costs were as follows:

	2023	*2022*
	£M	*£M*
Wages and salaries	106	*85*
Social security costs	14	*11*
Cost of defined contribution scheme	8	*6*
	128	*102*

The Company does not employ staff. Members of staff carrying out work on behalf of the Company are employed and paid by a fellow Group company, Marsh Services Limited. This includes the Directors of the Company. The Company is charged and bears the cost for the remuneration and other associated benefits paid on its behalf, with the exception of the share-based payments charge which is accounted for in Marsh Services Limited.

Marsh Services Limited operates a pension plan ('the Fund') in the United Kingdom with defined benefit and defined contributions sections. The defined benefit sections of the Fund were closed to new employees of Marsh Services Limited with effect from 1 July 2004. Following consultation, Marsh Services Limited determined in January 2014 to close the existing sections of the Fund to all future benefit accrual with effect from 1 August 2014.

Marsh Services Limited makes contributions to the Fund and is responsible for the pension liabilities attributed to its members. At 31 December 2023, Marsh Services Limited disclosed in its financial statements that the pension scheme valuation is an asset of £972 million *(31 December 2022: asset of £992 million)* using an FRS 102 valuation basis. Further detail can be found in the financial statements of Marsh Services Limited. The FRS 102 Section 28 disclosures for the defined contribution section of the Fund can also be found within the financial statements of Marsh Services Limited.

8 DIRECTORS REMUNERATION

All of the Directors are executives of other Group Companies. In such circumstances, it is not practicable to allocate their remuneration between services as executives of other Group Companies and their services as Directors of the Company in the current year. Accordingly, we have not disclosed the remuneration of Directors who work predominantly for other group companies during the current year.

Where the Company’s Directors are in receipt of share-based payments and awards as part of their overall remuneration, these are disclosed in the financial statements of Marsh Services Limited, the Group’s principal employing company.

9 INTEREST PAYABLE AND SIMILAR EXPENSES

	2023	*2022*
	£M	*£M*
Intragroup interest payable	7	*5*
	7	*5*

10 TAX ON PROFIT

	2023	*2022*
	£M	*£M*
Corporation Tax		
Current tax on profits for the year	**3**	*(5)*
Adjustments in respect of previous periods	**6**	*1*
Total current tax	**9**	*(4)*
Deferred tax		
Origination and reversal of timing differences	**(4)**	*2*
Changes to tax rates	**–**	*1*
Adjustments in respect of previous periods	**(7)**	*–*
Total deferred tax	**(11)**	*3*
Tax on profit	**(2)**	*(1)*

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is lower than *(2022 : lower than)* the standard rate of corporation tax in the UK of 23.5% *(2022 : 19.0%)*. The differences are explained below:

	2023	*2022*
	£M	*£M*
Profit before tax	**8**	*6*
Profit multiplied by standard rate of corporation tax in the UK of 23.5% (2022 : 19%)	**2**	*1*
Effects of:		
Adjustments to tax charge in respect of prior periods	**(1)**	*1*
Non-taxable income	**(1)**	*(3)*
Other differences leading to an increase (decrease) in the tax charge	**(2)**	*–*
Total tax (credit)/charge for the year	**(2)**	*(1)*

The UK Corporation Tax rate increased from 19% to 25% with effect from 1 April 2023.

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

The UK Corporation Tax rate increased from 19% to 25% with effect from 1 April 2023.

The international tax reform released by the Organisation for Economic Cooperation and Development (OECD), known as Pillar Two, is a framework for the introduction of a global minimum effective tax rate of 15%, which could impact the tax charge of the Company in future periods in the jurisdiction where the Company operates. The legislation was enacted by Finance (No. 2) Act 2023, which received Royal Assent on 20 June 2023, and will be effective from 01 January 2024.

11 INTANGIBLE ASSETS

	Development costs; pre completion	Development costs; completed	Total
	£M	£M	£M
Cost			
At 1 January 2023	**3**	**124**	**127**
Additions	**8**	**–**	**8**
Completed in the year	**(7)**	**7**	**–**
Disposals	**–**	**(2)**	**(2)**
Transfer from other group companies	**–**	**2**	**2**
At 31 December 2023	**4**	**131**	**135**
Amortisation			
At 1 January 2023	**–**	**108**	**108**
Transfers from other group companies	**–**	**2**	**2**
Charge for the year on owned assets	**–**	**8**	**8**
At 31 December 2023	**–**	**118**	**118**
Net book value			
At 31 December 2023	**4**	**13**	**17**
At 31 December 2022	*3*	*16*	*19*

Pre-completion intangible assets relate to computer software development costs of the Company's projects under the course of construction. These projects are under development and therefore are not amortised until they are complete.

Development costs have been capitalised in accordance with FRS 102 Section 18 Intangible Assets other than Goodwill.

During the year £7 million project costs were transferred from pre-completion to completed development costs.

As at 31 December 2023 there were no amounts payable in relation to contracted commitments for the acquisition of intangible assets.

12 TANGIBLE FIXED ASSETS

	Freehold property	Short-term leasehold property	Office equipment	Total
	£M	£M	£M	£M
Cost or valuation				
At 1 January 2023	**12**	**50**	**161**	**223**
Additions	**–**	**4**	**4**	**8**
Transfers intra group	**–**	**3**	**6**	**9**
Disposals	**(11)**	**(1)**	**(5)**	**(17)**
At 31 December 2023	**1**	**56**	**166**	**223**
Depreciation				
At 1 January 2023	**6**	**37**	**130**	**173**
Charge for the year on owned assets	**–**	**2**	**8**	**10**
Transfers intra group	**–**	**2**	**6**	**8**
Disposals	**(6)**	**–**	**(5)**	**(11)**
At 31 December 2023	**–**	**41**	**139**	**180**
Net book value				
At 31 December 2023	**1**	**15**	**27**	**43**
At 31 December 2022	*6*	*13*	*31*	*50*

If the Freehold land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

	2023	*2022*
	£M	*£M*
Cost	**1**	*6*
Accumulated Depreciation	**–**	*(3)*
Net book value	**1**	*3*

If the Leasehold land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

	2023	*2022*
	£M	*£M*
Cost	**52**	*50*
Accumulated depreciation	**(39)**	*(36)*
Net book value	**13**	*14*

Freehold and Leasehold property was revalued in 2001 on the basis of an open market valuation by an independent valuer.

13 FIXED ASSET INVESTMENTS

Details of the Company's subsidiary undertakings at 31 December 2023 are shown below:

Name	Country of incorporation	Description of shares	% of Issued shares held by the Company	Registered Office Address
JLT Management Services Limited	United Kingdom	Ordinary	100	1 Tower Place West, Tower Place, London, United Kingdom, EC3R 5BU

The Company's only investment is directly owned by the Company. The carrying value of the investment is £15,000 as at 31 December 2023 *(2022 : £100,000)*.

14 DEBTORS

	2023	2022
	£M	£M
Due after more than one year		
Deferred tax asset	39	30
	39	30

	2023	2022
	£M	£M
Due within one year		
Amounts owed by group undertaking-tax	–	5
Amounts owed by group undertakings	164	254
Other debtors	13	15
Prepayments and accrued income	21	20
Tax recoverable	230	208
	428	502

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

During 2022 certain companies in the UK, including Marsh Corporate Services Limited, joined a cash pooling arrangement whereby balances are returned to zero each day as funds are transferred to/from a central account held by MMC International Treasury Centre Limited, a fellow UK Group subsidiary. Amounts owed from the Group as part of the pooling arrangement are disclosed as Amounts owed by group undertakings in the table above.

Within amounts owed by group undertakings there is a loan receivable of £5 million which is repayable on demand and had variable interest rates of between 0% and 5.02%.

As the nominated company for the UK Group Payment arrangement with HMRC, the tax recoverable balance in the table above principally relates to amounts recoverable from other UK companies.

15 CREDITORS: Amounts falling due within one year

	2023	2022
	£M	£M
Amounts owed to group undertakings	152	144
Amounts owed to group undertakings for tax	128	103
Other taxation and social security	4	3
Other creditors	2	2
Accruals and deferred income	66	60
	352	312

Amounts owed to group undertakings is a loan of £100 million which attracts an interest rate of 5.48% and is repayable 16 December 2024.

Within amounts owed to group undertakings in the prior year there is a loan of £90 million which was charged at a rate of interest between nil and 4.02% and is repayable on demand.

16 CREDITORS: Amounts falling due after more than one year

	2023	2022
	£M	£M
Amounts owed to group undertakings	–	100
	–	100

Amounts owed to group undertakings in the prior year is a loan of £100 million which attracted an interest rate of 3.7% which is repayable 16 December 2024 and disclosed in the current year as falling due within one year.

17 DEFERRED TAX

	2023	*2022*
	£M	*£M*
At beginning of year	27	*30*
Credited to profit or loss	11	*(3)*
At end of year	38	*27*

The provision for deferred tax is made up as follows:

	2023	*2022*
	£M	*£M*
Accelerated capital allowances	39	*29*
Property revaluation	(1)	*(2)*
	38	*27*
Comprising:		
Asset - due after one year	39	*30*
Liability	(1)	*(3)*
	38	*27*

Deferred tax timing differences have been provided for at the rate of 25%, being the rate enacted at the balance sheet date.

On 11 July 2023, the Financial Reporting Council (FRC) published amendments to section 29 of FRS102 entitled 'International Tax Reform - Pillar Two Model Rules' to clarify the application of section 29 Income Tax to income tax arising from tax law enacted or substantively enacted to implement Pillar Two model rules. The amendments became effective immediately. The amendments introduce a mandatory temporary exception to the accounting requirement of deferred taxes in section 29, so that an entity would neither recognise or disclose information about deferred tax assets and liabilities related to Pillar Two income taxes. The Company has applied this exception and not provided for deferred tax in respect of these reforms.

There are no unrecognised deferred tax balances.

18 PROVISIONS

	Abandoned property provisions	Property dilapidation provisions	Total
	£M	£M	£M
At 1 January 2023	88	9	97
Charged to profit or loss	13	4	17
Utilised in year	(29)	(4)	(33)
At 31 December 2023	72	9	81

The property provision includes costs of abandoned properties relating to obligations under onerous historical leases where the properties have been vacated; and dilapidation costs relating to the legal obligation to restore lease provisions to their original condition at lease expiry.

19 SHARE CAPITAL

	2023	2022
	£	£
Allotted, called up and fully paid		
1,001 (2022- 1,001) Ordinary shares of £1 each	**1,001**	*1,001*

The Company has one class of ordinary shares which carry no right to fixed income.

The share capital of the Company consists of fully paid ordinary shares with a par value of £1 per share.

All shares are equally eligible to receive dividends and the repayment of capital and represent one vote at shareholders' meetings of the Company.

20 RESERVES

Revaluation reserve

The revaluation reserve arose on an historic revaluation of land and buildings that occurred in the past, whilst the Company was reporting under UK GAAP. During the year the company disposed of some freehold property which had previously been revalued in doing so released £6 million to the profit and loss account. There have been no subsequent revaluations reflected in these financial statements.

Profit and loss account

Profit and loss account includes all current and prior year retained profits and losses.

21 COMMITMENTS UNDER OPERATING LEASES

At 31 December 2023 the Company had future minimum lease payments due under non-cancellable operation leases for each of the following periods:

	2023	2022
	£M	£M
Land and buildings		
Not later than 1 year	**26**	*24*
Later than 1 year and not later than 5 years	**103**	*97*
Later than 5 years	**166**	*185*
	294	*306*

	2023	2022
	£M	£M
Other		
Not later than one year	**15**	*16*
Later than 1 year and not later than 5 years	**–**	*1*
	15	*17*

21 COMMITMENTS UNDER OPERATING LEASES (continued)

Leases of land and buildings are typically subject to rent reviews at specified intervals and provide for the lessee to pay all insurance, maintenance and repair costs.

Operating lease payments represent rentals and service contracts payable by the Company for certain of its office properties. Generally, leases are negotiated for an average number of 10 years and rentals are fixed for an average of five years with an option to extend for a further five years at the prevailing market rate. There are exceptions to this where market conditions differ.

The Company as a lessor

At 31 December 2023 the Company had contracted with tenants for the following future minimum lease payments:

	2023	**2022**
	£M	***£M***
Land and buildings		
Not later than 1 year	**2**	*4*
Later than 1 year and not later than 5 years	**12**	*12*
Later than 5 years	**3**	*7*
	17	*23*

22 RELATED PARTY TRANSACTIONS

Advantage has been taken of the exemption under FRS 102 Section 33.1A not to disclose transactions between entities within the Group, where no less than 100% of voting rights are controlled within the Group, whose consolidated financial statements are publicly available. There are no other transactions requiring disclosure.

23 POST BALANCE SHEET EVENTS

There have been no significant events affecting the Company since the year end.

24 GROUP FINANCIAL STATEMENTS

Group financial statements are not prepared in line with s401 of the Companies Act 2006 as the Company is itself a wholly-owned subsidiary and is included in the consolidated financial statements of Marsh & McLennan Companies, Inc., its ultimate parent company. Accordingly, these financial statements present information about the Company as an individual undertaking and not about its Group.

25 CONTROLLING PARTY

The Company's immediate parent company is MMC UK Group Limited, registered in England and Wales. The Company's ultimate parent company and controlling entity is Marsh & McLennan Companies, Inc., incorporated in the state of Delaware, USA.

The smallest and largest group in which the results of Marsh Corporate Services Limited are consolidated is that headed by Marsh & McLennan Companies, Inc. whose registered address is 1166 Avenue Of The Americas, New York, Ny 10036, United States. The consolidated financial statements of Marsh & McLennan Companies, Inc. are available to the public and may be obtained from:

Companies House
Crown Way
Maindy
Cardiff
CF14 3UZ

and also from:

The Company Secretary
Marsh & McLennan Companies UK Limited
1 Tower Place West
Tower Place
London
EC3R 5BU